

**N. D. KAPUR & CO.  
CHARTERED ACCOUNTANTS**

**Monthly Updates**

**NOVEMBER 2025**

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**(I) CORPORATE LAW**

**COMPANIES (MEETINGS OF THE BOARD AND ITS POWERS) AMENDMENT RULES, 2025**

Ministry of Corporate Affairs (“MCA”) by way of Notification dated 03.11.2025, has issued the Companies (Meetings of Board and its Powers) Amendment Rules, 2025 amending Rule 11(2) Companies (Meetings of Board and its Powers) Rules, 2014. The amendment clarifies the scope of the term “business of financing industrial enterprises” for the purposes of Section 186(11)(a) of the Companies Act, 2013. Following the change, this expression now includes two distinct categories

- 1. For Non-Banking Financial Company (“NBFC”) registered with RBI:** The expression includes the business of granting any loan or providing guarantees/security for the due payment any loan in the ordinary course of business.
- 2. For Finance Companies registered with International Financial Services Centres (IFSCA):** It includes the financing related activities specified in Regulation 5(1)(ii)(a) or 5(1)(ii)(e) of the IFSCA (Finance Company) Regulations, 2021, carried out in the ordinary course of business.

**AMENDMENT TO COMPANIES (SPECIFICATION OF DEFINITION DETAILS) AMENDMENT RULES, 2025**

The Central Government makes the rules to amend Companies (Specification of Definition Details) Amendment Rules, 2025, pursuant to which, with effect from 01.12.2025, a company shall be considered as a ‘small company’ if (i) Paid-up share capital of the company does not exceed Rs. 10 crores, and (ii) Turnover does not exceed Rs. 100 crores. This shall not apply to companies which cannot utilize status of small company.

**(II) INDIRECT TAXATION**

**EDUCATIONAL CONSULTING FOR FOREIGN UNIVERSITIES IS ‘EXPORT OF SERVICE’, NOT ‘INTERMEDIARY SERVICE’**

The Delhi High Court vide its judgement dated 24.11.2025 in the matter of *Commissioner of DGST vs. Global Opportunities Private Limited (SERTA 20/2025 & CM APPL. 65505/2025)* reaffirmed that educational consultants providing services to foreign universities are not ‘intermediaries’ under Section 2(13) of the Integrated Goods and Services Tax Act, 2017 (“**IGST Act**”). Instead, such services qualify as ‘export of services’ under Section 2(6) of the IGST Act, entitling the provider to GST refunds.

The Assessee, engaged in providing educational consultancy services to Indian students, entered into formal agreements with Foreign educational institutions (“**FEIs**”) to offer counselling and advisory services. These services were rendered directly to the FEIs, and the assessee received commission payments in foreign exchange. Upon filing multiple refund claims for the tax paid on these services, the Goods and Services Tax (“**GST**”) authorities denied the refunds, asserting that the assessee acted as an ‘intermediary’ under Section 13(8)(b) of the IGST Act. This classification would render the place of supply as India, thereby disqualifying the services from being treated as exports.

However, the Delhi High Court rejected the Department’s contention, holding that the assessee was not merely facilitating or arranging services between 2 (two) parties. Instead, the assessee was providing services on a principal-to-principal basis directly to the foreign institutions. Consequently, the services qualified as ‘export of services’ under GST law, entitling the assessee to claim the refund.

**(III) DIRECT TAXATION**

**TOLERANCE RANGE FOR TRANSFER PRICING ADJUSTMENTS UNDER SECTION 92C**

The Central Government vide notification dated 06.11.2025 the variation between the arm's length price ("ALP") determined under section 92C of the said Income Tax Act, 1961 for the Assessment Year ("AY") 2025-2026. Price at which the international transaction or specified domestic transaction has actually been undertaken does not exceed, (i) 1% of the latter in respect of wholesale trading; and (ii) 3% of the latter in all other cases.

The notification also defines "wholesale trading" as trading where the purchase cost of finished goods is 80% or more of the total cost of trading activities and the average monthly closing inventory is 10% or less of the relevant sales.

**CAPITAL GAINS ACCOUNTS (SECOND AMENDMENT) SCHEME, 2025**

Central Board of Direct Taxes ("CBDT") vide Notification dated 19.11.2025 introduced the Capital Gains Accounts (Second Amendment) Scheme, 2025 ("Scheme"), which updates and modernises the Capital Gains Accounts Scheme, 1988. The Scheme primarily introduces electronic modes of payment, expand the scope of certain provisions to include Section 54GA, and shift several processes from manual to digital workflows.

The Scheme expands the Capital Gains Accounts Scheme, 1988 to cover section 54GA, updating all related references. It modernises the Scheme by formally introducing electronic payment modes including UPI, IMPS, RTGS, NEFT, net banking, debit/credit cards and BHIM Aadhaar Pay for making deposits and withdrawals. The definition of "Deposit Office" is widened to include authorised banking companies, not just specified public sector banks.

Procedures for making deposits are revised so that the effective date is the date the deposit office receives the cheque, draft or electronic payment. Passbook based processes are now updated to allow electronic statements of account. From 01.04.2027, Form G and Form H have to be filed electronically using either digital signature or electronic verification code for closing the Capital Gains Account. The Income tax Systems Directorate will prescribe procedures, data standards, verification methods and security requirements for electronic filing of Forms G and H. Forms A and C are updated to add section 54GA, recognise electronic deposits and include fields for electronic transaction numbers (RTGS/IMPS/NEFT).

**BANKS TO RECEIVE DEPOSITS AND MAINTAIN ACCOUNTS UNDER THE SCHEME**

CBDT vide Notification dated 19.11.2025 updated the list of banks that are authorised to accept deposits and maintain accounts under the Scheme. All non-rural branches of 19 banks including major private banks like HDFC Bank, ICICI Bank, Axis Bank, Kotak Mahindra Bank, IndusInd Bank, Bandhan Bank, City Union Bank Ltd, DCB Bank Ltd, Federal Bank Ltd, IDFC FIRST Bank Ltd, Jammu and Kashmir Bank Ltd, Karnataka Bank Ltd, Karur Vysya Bank Ltd, RBL Bank Ltd, South Indian Bank Ltd, Yes Bank Ltd, Dhanlaxmi Bank Ltd, CSB Bank Ltd and Tamilnad Mercantile Bank Ltd. and others to operate Capital Gains Account. Only rural branches of these banks are excluded. A rural branch here means any branch located in an area with a population below 10,000, as per 2011 Census.

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